



## MEMORANDUM

Date Issued: March 29, 2005 Report No. SEDC 05-002

Meeting of April 5, 2005

To: Chair and Members of the Redevelopment Agency

From: Carolyn Y. Smith, President

Subject: Approval of an Agreement with Wildlands, Inc., for the Purchase of Wetland Mitigation Credits at the Rancho Jamul Mitigation Bank and Amendment to the FY 04/05 Central Imperial Redevelopment Project Budget

Reference: None

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### **SUMMARY**

Staff Recommendation – That the Redevelopment Agency of the City of San Diego (Agency) adopts a resolution approving: (1) An agreement with Wildlands, Inc., for an amount not to exceed One Hundred Ninety-One Thousand Two Hundred Fifty Dollars (\$191,250.00) for the purchase of wetland mitigation credits from the Rancho Jamul Mitigation Bank; and (2) An amendment to the FY 04/05 Central Imperial Redevelopment Project Budget.

Other Recommendations – On February 23, 2005, the Southeastern Economic Development Corporation (SEDC) Board of Directors voted to recommend to the Redevelopment Agency approval of the agreement with Wildlands, Inc., and approval of the amendment to the FY 04/05 Central Imperial Redevelopment Project Budget.

Fiscal Impact – The amendment of the FY 04-05 budget in the Central Imperial Redevelopment Project Area in the amount of \$191,250.00 will fund the purchase of wetland mitigation credits. The funding sources are tax increment and re-allocated land sale proceeds received in the second quarter of FY 04-05.

## **BACKGROUND**

SEDC has expended in excess of \$15 million to construct the public improvements required for the Imperial Marketplace Retail Center. The public improvements were completed in December 2001 and included elevating portions of the site above the 100-year floodplain and channelizing a segment of the South Las Chollas Creek to accommodate the 100-year flood. According to the Imperial Marketplace Final Environment Impact Report, dated July 22, 1999, grading and flood control improvements associated with the site development would cause significant impacts to wetland habitat, namely 0.33-acres of Mulefat Scrub and Southern Willow Scrub, and would require mitigation at a 3:1 mitigation ratio, totaling 0.99 acres of wetland mitigation required.

The U.S. Army Corps of Engineers (Corps) 404 Permits, # 972008300-MAT for the Imperial Marketplace project and # 982002700-MAT for the Valencia Business Park project, require SEDC to mitigate for impacts to wetland habitat that occurred during the public improvement construction phase for both projects.

SEDC has expended \$6.6 million in the Valencia Business Park for public improvements required to make the site developable. The public improvements were completed in 2003 and included flood control improvements to the Encanto Branch of the South Las Chollas Creek to protect the site from the 100-year flood which had temporary and direct impacts to wetland vegetation within the creek. According to the Potter Tract Final Environmental Impact Report (Valencia Business Park EIR), dated April 27, 2000, SEDC was required to mitigate for the loss of 0.18 acre of Mulefat Scrub, Southern Willow Scrub and Freshwater Marsh at a 3:1 mitigation to impact ratio, totaling 0.54 acres of wetland mitigation required for Valencia Business Park.

SEDC's initial proposal to satisfy the mitigation required for both Imperial Marketplace and Valencia Business Park was to complete it all on-site at Imperial Marketplace. However, further research revealed that the proposed on-site mitigation would not address the differing requirements of the Corps and the City of San Diego (City). The compromise between the Corps and the City was acceptance of wetland mitigation credits at the Rancho Jamul Mitigation Bank for wetlands mitigation for both Imperial Marketplace and Valencia Business Park.

## **DISCUSSION**

The proposed purchase of mitigation credits is documented in an agreement between Wildlands, Inc., the Administrator of the Rancho Jamul Mitigation Bank. The agreement with Wildlands, Inc., allows SEDC, on behalf of the Agency, to purchase 1.53 acres (0.99 acres for Imperial Marketplace and 0.54 acres for Valencia Business Park) for \$191,250.00 to compensate for the loss of wetland habitats as a result of the development at both Imperial Marketplace and Valencia Business Park. The Agency will have no obligation to support, monitor, sustain, pay for, report on, continue in perpetuity or otherwise be liable for the success, continued expense and/or maintenance of the credits bought. The Rancho Jamul Mitigation Bank is fully responsible for satisfying all conditions placed on the compensatory credits by all state and federal jurisdictional agencies and shall indemnify SEDC and the Agency of all liabilities and obligations.

**CONCLUSION**

The purchase of the wetland mitigation credits satisfies SEDC's obligation for wetland mitigation identified in the original environmental documents for both the Imperial Marketplace and the Valencia Business Park.

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Submitted by  
Laura Roman  
Project Coordinator

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Approved by  
Carolyn Y. Smith  
President

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Attachment – Agreement with Wildlands, Inc.